Standard Terms and Conditions of Sale

Standard terms and conditions governing all PPSI quotations and customer orders.

Revision History

Rev	Change Note	Author	Approver	Date
1	Initial Release	JJH	JJH	8/24/2026

Terms and Conditions of Sale

1. ACCEPTANCE; ORDER OF PRECEDENCE; ENTIRE AGREEMENT

1.1 Application. These Standard Terms and Conditions of Sale (“Terms”) govern all quotations issued by Professionalized Products and Services, Inc. (“PPSI”) and all orders accepted by PPSI from the purchaser identified on the face of the quotation (“Customer”).

1.2 Offer and Acceptance. A PPSI quotation is an offer to sell on these Terms and may be accepted only on these Terms. **PPSI's acceptance of any order is expressly made conditional upon Customer's assent to these Terms.** No order is accepted, and no contract is formed, until PPSI issues a written Order Confirmation. The Order Confirmation constitutes PPSI's acceptance of Customer's order and is itself expressly conditioned on Customer's assent to these Terms. Where Customer's purchase order or other document contains terms additional to, different from, or inconsistent with these Terms, PPSI's Order Confirmation constitutes a counteroffer and not an acceptance of such terms.

1.3 Manner of Assent. Customer assents to these Terms by any of the following: (a) execution of a PPSI Terms Acknowledgment or other written agreement referencing these Terms; (b) failure to deliver written objection to PPSI within five (5) business days after the date of PPSI's Order Confirmation; (c) acceptance of delivery of any product; or (d) payment of any invoice. **Customer's continued performance following receipt of an Order Confirmation that conspicuously identifies these Terms and rejects Customer's contrary terms constitutes assent to these Terms.** If Customer does not assent, Customer must notify PPSI in writing within five (5) business days of the Order Confirmation, in which case PPSI may decline the order without liability, and Customer shall be responsible for material and work-in-process costs incurred through the date of notice.

1.4 Contrary Terms Rejected. Any additional, different, or conflicting term contained in Customer's purchase order, order acknowledgment, terms of purchase, supplier quality manual, supplier code, portal click-through, master agreement form, invoice, or other document is hereby objected to and rejected and shall have no force or effect, regardless of whether PPSI commences or completes performance, whether PPSI's rejection is repeated at the time of receipt, and whether PPSI's personnel have accessed, downloaded, or acknowledged receipt of such document. No such term shall become part of the agreement between the parties absent a writing that specifically identifies the term and states PPSI's agreement to it, signed by a duly authorized officer of PPSI. Access to or use of a Customer procurement portal by PPSI personnel for the purpose of retrieving orders, submitting documents, or obtaining payment does not constitute assent to any terms presented in or linked from that portal.

1.5 Terms Governing Absent Assent. If a contract is found to have been formed by the conduct of the parties rather than by their writings, the parties intend that these Terms shall constitute the terms of that contract. In such event, and to the fullest extent permitted by law, the parties agree that Sections 14 (Limited Warranty), 15 (High Risk Applications), 16 (Limitation of Liability), 17 (Indemnification), and 22 (Governing Law; Dispute Resolution; Limitations Period) reflect the parties' agreed allocation of risk, are reflected in the pricing quoted by PPSI, and shall apply notwithstanding any contrary term in any Customer document.

1.6 Order of Precedence. In the event of conflict, the following order of precedence applies: (a) a written agreement signed by both parties that expressly supersedes these Terms; (b) an executed PPSI Terms Acknowledgment; (c) these Terms; (d) the commercial terms stated on the face of the applicable PPSI quotation or Order Confirmation; (e) Customer's purchase order, solely as to quantity, part number, revision level, requested delivery date, and ship-to address.

1.7 Predominant Purpose. These Terms govern the sale of products and the provision of related manufacturing services by PPSI. The parties agree that the predominant purpose of any order is the sale of goods and that Article 2 of the Uniform Commercial Code as adopted in Texas governs the transaction.

1.8 Entire Agreement; Modification. These Terms, together with the applicable quotation and Order Confirmation, constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior or contemporaneous proposals, negotiations, and understandings, whether oral or written. No waiver, alteration, or modification of any provision hereof shall be binding on PPSI unless made in writing and agreed to in writing by a duly authorized official of PPSI. PPSI's failure to enforce any provision shall not constitute a waiver of that or any other provision.

2. QUOTATION AND PRICING

2.1 Basis of Quotation. Each quotation is based upon the information, documentation, and scope received from Customer at the time of quotation. Pricing must be verified at time of order and is subject to change if there are any deviations from the original information, if any component substitutions are required, or if Customer's documentation is incomplete, ambiguous, or inconsistent.

2.2 Validity. Quotations are valid through the “Valid Until” date shown on the face of the quotation and may be withdrawn or revised by PPSI at any time prior to Customer's acceptance. Quotations that have expired are subject to requotation.

2.3 Volume Assumptions. Pricing based on quantities, estimated annual usage, or release schedules stated by Customer assumes those volumes are realized. PPSI may reprice remaining quantities if actual ordered volumes differ materially from the stated basis.

2.4 Tooling. Tooling, stencil, programming, fixture, and setup charges are as stated on the face of the quotation and, where noted, apply to first-time orders only. Any unforeseen tooling or setup charges shall be the responsibility of Customer, subject to prior written notice to Customer.

2.5 Currency; Errors. All prices are stated in United States dollars. PPSI reserves the right to correct clerical, typographical, or computational errors in any quotation, acknowledgment, or invoice.

3. TAXES, TARIFFS, AND DUTIES

3.1 Taxes. All prices are exclusive of federal, state, and local sales, use, excise, value added, and similar taxes and charges. Customer shall pay all such amounts, or shall furnish PPSI with a valid exemption certificate acceptable to the applicable taxing authority.

3.2 Import Tariffs. Quotations include tariffs, duties, and Section 232 or Section 301 charges that have been explicitly disclosed by PPSI's suppliers at the time of quotation. Some suppliers may not include or disclose all applicable tariffs in their initial pricing. Where additional tariffs, duties, or import charges are assessed during order fulfillment, whether due to new or changed government regulation, reclassification, or previously undisclosed existing tariffs, such costs shall be passed through to Customer, with supporting documentation provided upon request.

3.3 Regulatory Cost Changes. Where a change in law, regulation, sanctions, or trade policy after the date of quotation materially increases PPSI's cost of performance, PPSI may adjust pricing for undelivered quantities upon written notice to Customer, and Customer may cancel the affected undelivered quantities within ten (10) business days of such notice, subject to Section 20.

4. PAYMENT AND CREDIT

4.1 Terms. Payment terms are as stated on the face of the quotation. A purchase order for the specified quantities is required for quoted pricing.

4.2 Late Payment. Past due amounts shall bear interest at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by applicable law, whichever is less, from the due date until paid. Customer shall reimburse PPSI for all costs of collection, including reasonable attorneys' fees and court costs.

4.3 Credit Card Transactions. A three percent (3%) transaction fee will be added to all credit card transactions.

4.4 No Setoff. Customer shall not withhold, offset, or deduct any amount from any invoice on account of any claim, dispute, or credit relating to any other order or invoice.

4.5 Credit and Assurances. PPSI may, without liability and without prejudice to any other remedy, suspend performance, withhold shipment, revise credit terms, or require payment in advance, a deposit, letter of credit, or other adequate assurance of performance if Customer is past due on any invoice or if PPSI in good faith deems Customer's credit or financial condition impaired.

4.6 Security Interest. Customer grants PPSI a purchase money security interest in all products delivered hereunder, and in the proceeds thereof, until payment in full of all amounts owed. Customer authorizes PPSI to file such financing statements and other documents as PPSI deems necessary to perfect this interest.

5. CUSTOMER DOCUMENTATION AND DESIGN RESPONSIBILITY

5.1 Documentation. Customer shall furnish complete, accurate, and revision-controlled manufacturing data, including without limitation Gerber, ODB++, or IPC-2581 data; fabrication and assembly drawings; bill of materials; centroid or pick-and-place data; approved manufacturer lists; and any programming, test, inspection, or packaging specifications. PPSI may suspend an order pending resolution of missing, ambiguous, or conflicting documentation, and lead times shall be extended accordingly.

5.2 Design Responsibility. Customer is solely responsible for the design, functionality, testability, manufacturability, regulatory compliance, safety, and fitness for purpose of the product, including the adequacy and accuracy of all documentation furnished to PPSI. PPSI is a contract manufacturer building to Customer's specifications and assumes no design responsibility.

5.3 DFM Comment. Any design-for-manufacturability review, comment, suggestion, or recommendation offered by PPSI is provided as a courtesy, is advisory only, and does not transfer any design responsibility to PPSI or create any warranty regarding the design.

5.4 Regulatory Approvals. Customer is responsible for obtaining all certifications, listings, and regulatory approvals applicable to the end product, including UL, FCC, CE, medical, automotive, or other approvals, except to the extent expressly quoted by PPSI as a line item.

6. MATERIALS AND COMPONENT SOURCING

6.1 Purchase per BOM. PPSI shall purchase materials as specified in Customer's Bill of Materials. No substitutions will be made on any component without prior written approval from Customer.

6.2 Authorized Sourcing. PPSI procures components from original component manufacturers or from franchised or authorized distributors wherever such sources are available at commercially reasonable cost and lead time. Where such sources are unavailable, PPSI will seek Customer's written authorization before procuring through independent distributors or broker channels.

6.3 Broker and Secondary Market Parts. Parts procured through broker or independent distributor channels must be authorized by Customer in writing. Customer accepts the risks associated with such parts including, but not limited to, solderability, moisture sensitivity, remarking, prior use, and other internal part characteristics not visible during visual inspection. PPSI visually inspects all parts, but internal inspection and testing prior to production use is highly recommended. PPSI does not perform electrical testing, internal die examination, decapsulation, XRF testing, or X-ray inspection on such parts unless expressly quoted. Third-party testing is available on all secondary market purchases for an additional fee. Broker parts are non-cancellable and non-returnable unless otherwise expressly stated in the quotation. PPSI makes no warranty of any kind with respect to broker or secondary market parts.

6.4 Excess and Obsolete Material. Where component minimum order quantities, standard packaging, reel or tube multiples, minimum line-item values, or economic order quantities require PPSI to purchase material in excess of the quantity required for Customer's order, Customer shall purchase such excess material at PPSI's cost plus PPSI's standard handling charge. Such purchase obligation arises upon the earlier of completion of the order, cancellation or expiration of the order, or PPSI's written notice. Customer shall likewise be responsible for material rendered excess or obsolete by Customer-directed engineering changes, cancellations, or reductions in quantity.

6.5 Allocation. In the event of industry-wide shortage or supplier allocation, PPSI may allocate available materials and manufacturing capacity among its customers in any commercially reasonable manner.

7. CUSTOMER-SUPPLIED PARTS AND CONSIGNED MATERIAL

7.1 Installation. PPSI agrees to install customer-supplied parts ("CSP") as indicated on the applicable quotation. To ensure efficient production planning and timely delivery, production scheduling will commence only after receipt of all CSP.

7.2 Risk. Customer should be aware that risks exist with respect to components that have been potentially mishandled or that originate from non-authorized sources, particularly end-of-life ("EOL") components. PPSI cannot and does not warrant the electrical or mechanical functionality of any customer-supplied part. PPSI warrants its workmanship as set forth in Section 14.

7.3 Quantity and Attrition. Customer shall supply CSP in the quantity required for the build plus a reasonable attrition allowance of not less than three percent (3%) or as otherwise agreed in writing. Customer is responsible for shortages, and PPSI may suspend production and charge for resulting downtime and rescheduling.

7.4 Kit Verification. PPSI will perform a receiving count and visual verification of CSP kits. PPSI is not responsible for verifying part number correctness, electrical value, date code, or authenticity of CSP.

7.5 Delay Remedies. If customer-supplied parts are delayed beyond ten (10) business days from the originally communicated delivery date, PPSI reserves the right to:

1. Adjust quoted pricing to reflect current market conditions;
2. Reassess and reschedule production capacity availability; and
3. Apply a storage fee of four percent (4%) of the total order value per month for any materials already procured.

7.6 Title and Insurance. Title to CSP remains with Customer. Customer shall insure CSP while in PPSI's possession. PPSI's liability for loss of or damage to CSP shall not exceed the replacement cost of the affected parts and in no event shall exceed the limits of Section 16.

8. DEFAULT BARE PCB SPECIFICATIONS

8.1 Defaults. In the absence of specifications on Customer-provided drawings or other documentation for the bare printed circuit boards ("PCBs"), PPSI shall ensure that PCBs procured on behalf of Customer adhere to the following minimum standards:

- **Laminate Material:** FR-4 conforming to IPC-4101, with a minimum glass transition temperature (Tg) of 130°C as measured by Differential Scanning Calorimetry (DSC).
- **Copper Weight, Outer Layers:** 1 oz/ft² (35 µm) finished.
- **Copper Weight, Inner Layers:** 1 oz/ft² (35 µm) finished.
- **Solder Mask:** IPC-SM-840, Class H, green.
- **Surface Finish:** Lead-free hot air solder leveling (HASL-LF) conforming to IPC-4556, using a Sn-Cu or Sn-Ag-Cu alloy (e.g., SAC305) with lead (Pb) content less than 0.1% by weight.
- **Legend/Silkscreen:** White, epoxy ink.

8.2 Acceptance Standard. Unless otherwise specified by Customer in writing, bare PCBs procured by PPSI on behalf of Customer will be visually inspected and accepted according to IPC-A-600, Acceptability of Printed Boards, Class 2. This standard shall serve as the reference for determining the acceptability of bare board characteristics and any visual imperfections upon receipt at PPSI.

8.3 Deviations. Any deviation from these default specifications must be clearly and explicitly documented on Customer's drawings or purchase order. Customer is solely responsible for providing complete and accurate specifications. PPSI shall not be liable for bare PCB defects or performance issues resulting from Customer's failure to provide adequate specifications, or for the use of materials inferior to these defaults where Customer has not explicitly specified otherwise.

8.4 Customer-Provided Bare PCBs. Where Customer provides bare PCBs to PPSI for assembly, Customer warrants that such PCBs meet the specifications provided to PPSI or, if no specifications were provided, that they meet the default specifications above and are acceptable per IPC-A-600 Class 2. PPSI's liability for defects in customer-provided bare PCBs is limited to visual inspection for obvious damage prior to assembly in accordance with IPC-A-600 Class 2 and to proper handling during the assembly process. Any issue with the bare PCB arising during or after assembly that is attributable to its fabrication or materials, and which was not discoverable by PPSI's standard receiving inspection per IPC-A-600 Class 2, shall be the sole responsibility of Customer.

9. WORKMANSHIP STANDARDS, TESTING, AND REWORK

9.1 Workmanship. Unless otherwise specified in writing on the face of the quotation, assemblies are built and inspected to IPC-A-610, Acceptability of Electronic Assemblies, Class 2, and where applicable J-STD-001 Class 2.

9.2 Testing. Absent Customer-provided test specifications and acceptance criteria expressly quoted as a line item, PPSI performs visual inspection only. PPSI performs no electrical, functional, in-circuit, flying probe, boundary scan, X-ray, environmental stress, burn-in, or conformal coating inspection testing unless such testing is expressly quoted. Test coverage, when quoted, is limited to the coverage defined by Customer's test specification, and PPSI does not warrant that such coverage will detect all defects.

9.3 First Article. Where a first article inspection ("FAI") or sample approval is indicated on the quotation, Customer shall review and provide written approval or rejection within five (5) business days of receipt. Production quantities will not be scheduled pending Customer approval, and lead times shall be extended by the period of any delay in approval.

9.4 First Article and Material Liability. At Customer's direction, PPSI will procure materials for the full quoted quantity. Upon placement of a purchase order, Customer accepts full financial responsibility for all procured materials, including any non-cancellable or non-returnable items and associated fees. This liability is binding regardless of the FAI outcome, provided that any FAI failure is not the direct result of a workmanship or process error by PPSI. In the event the project does not proceed beyond the initial first article build, Customer will be invoiced for all remaining materials, which will be made available for shipment at Customer's expense upon payment. Materials so invoiced and not called for shipment are subject to the storage provisions of Section 12.7.

9.5 Rework and Repair Services.

a. **Scope.** This Section applies where Customer engages PPSI to rework, repair, modify, or refurbish existing printed circuit board assemblies ("Rework Services"), whether the assemblies were originally manufactured by PPSI or by a third party, and whether the assemblies are furnished by Customer or drawn from Customer's inventory held at PPSI (in each case, "Customer Assemblies"). Rework Services are quoted and performed as a service. Except as stated in subsection (h), the sale-of-goods warranty in Section 14 does not apply to Customer Assemblies.

b. **Inherent Risk; Acceptance.** There are risks inherent to reworking and repairing printed circuit board assemblies. While PPSI employs IPC-trained technicians and uses industry-accepted techniques in accordance with IPC-7711/7721, Rework, Modification and Repair of Electronic Assemblies, it is possible for heat damage, pad or barrel lifting, trace or annular ring damage, laminate delamination or measling, solder mask damage, silkscreen loss, moisture-induced damage, and damage to adjacent or underlying components to occur, and such damage may not be detectable by visual inspection. **Customer accepts these risks and agrees to absolve PPSI from responsibility for damage to Customer Assemblies, or for loss of Customer Assemblies rendered unusable, resulting from Rework Services performed in accordance with these Terms.**

c. **Condition and History of Customer Assemblies.** PPSI makes no evaluation of, and assumes no responsibility for, the prior manufacturing history or present condition of Customer Assemblies, including without limitation prior thermal cycles or reflow exposure, prior rework by others, unknown or mixed solder alloys and tin-lead versus lead-free process compatibility, moisture absorption and MSL condition, unknown or unauthorized component sourcing, absence of traceability, latent damage, contamination, corrosion, or prior field use. Customer Assemblies may already be at or beyond the thermal cycle limits contemplated by the applicable IPC standards, and additional thermal excursions may cause failure that PPSI cannot predict or prevent.

d. **Customer Responsibilities.** Customer shall furnish, prior to commencement of Rework Services: written rework instructions identifying reference designators, part numbers, and the scope of work; assembly drawings or a marked-up sample as needed; any special handling, bake, or process requirements; the applicable acceptance class; and, unless PPSI is quoted to procure them, all replacement components in the quantity required plus a reasonable attrition allowance. Customer shall also furnish a reasonable quantity of spare assemblies where available. Customer warrants that it has the right to direct the rework of the Customer Assemblies.

e. **Pricing.** Unless expressly quoted as a firm fixed price per unit, Rework Services are quoted as an estimate based on the information furnished by Customer and are billed on a time-and-materials basis at PPSI's then-current rates. Where the actual condition, complexity, or scope encountered differs from the information furnished, PPSI will notify Customer and may adjust pricing and schedule. Rework Services are billable whether or not the affected assembly is successfully returned to functional condition.

f. **No Guarantee of Yield or Function.** PPSI does not guarantee the yield, functionality, reliability, or remaining service life of any Customer Assembly following Rework Services. PPSI performs no electrical, functional, or environmental testing of reworked assemblies unless such testing is expressly quoted as a line item, and any such testing is limited to the coverage defined by Customer's test specification.

g. **Elevated-Risk Constructions.** Customer acknowledges that certain constructions present elevated rework risk, including conformally coated, potted, or encapsulated assemblies; BGA, CSP, QFN, and other bottom-terminated or hidden-solder-joint devices; press-fit connectors; high-layer-count, heavy-copper, or high-thermal-mass boards; flexible and rigid-flex constructions; and assemblies containing moisture-sensitive or end-of-life components. Where such constructions are present, PPSI may require a written acknowledgment of risk, a pilot or sample rework, or an agreed scrap allowance as a condition of proceeding.

h. **Limited Rework Workmanship Warranty.** PPSI warrants only that the specific rework operation performed will conform to IPC-7711/7721 and to the acceptance class stated on the face of the quotation, for thirty (30) days from the date of shipment. PPSI's sole obligation and Customer's exclusive remedy for breach of this warranty is, at PPSI's option, re-performance of the affected rework operation or credit of the labor charge for that operation. This warranty does not extend to the balance of the assembly, to any pre-existing condition, or to any consequence described in subsections (b) or (c). **ALL OTHER WARRANTIES WITH RESPECT TO REWORK SERVICES AND CUSTOMER ASSEMBLIES ARE DISCLAIMED IN ACCORDANCE WITH SECTION 14.4.**

i. **Warranty Rework on PPSI Builds.** Where PPSI performs rework on its own assemblies under the limited warranty in Section 14, subsections (b) and (c) apply to the risks of that rework, but nothing in this Section relieves PPSI of its obligation under Section 14.2 with respect to the specific workmanship defect the rework was undertaken to correct.

j. **Custody, Title, and Abandonment.** Title to Customer Assemblies remains with Customer at all times. Customer shall insure Customer Assemblies while in PPSI's possession. PPSI's liability for loss of or damage to Customer Assemblies from any cause other than Rework Services shall not exceed the lesser of the replacement cost of the affected assemblies or the limits stated in Section 16, and in no event shall PPSI be liable for the value of components, engineering, or data embodied in a Customer Assembly. Customer Assemblies, including assemblies determined to be unrepairable, remain Customer's property and shall be returned at Customer's expense or disposed of at Customer's written direction. Assemblies not claimed within ninety (90) days after PPSI's notice that work is complete or has been discontinued are subject to Section 12.7.

k. **Scrap and Unrepairable Assemblies.** Customer shall bear the cost of any Customer Assembly determined during or after Rework Services to be unrepairable, together with the labor expended. PPSI will notify Customer before discontinuing work on an assembly it believes to be unrepairable.

9.6 Labels and Traceability. For traceability, PPSI serial number labels shall be applied to finished product unless otherwise instructed by Customer in writing.

9.7 Process Changes. PPSI may change its manufacturing processes, equipment, facilities, and internal procedures at its discretion, provided such changes do not adversely affect conformity of the product to Customer's specifications.

10. TOOLING, CUSTOMER PROPERTY, AND CONFIDENTIALITY

10.1 Customer Tooling. Tooling, stencils, fixtures, test adapters, and programming files paid for in full by Customer are the property of Customer and may be retained at PPSI's facility for Customer's use. PPSI will use such items solely to build Customer's orders and will not use them for the work of any other customer. PPSI shall exercise reasonable care in storing and maintaining such items but is not responsible for normal wear, and the cost of any refurbishment or replacement of Customer tooling is Customer's responsibility.

10.2 Inactivity. PPSI may dispose of Customer tooling and property following twenty-four (24) months of order inactivity, provided PPSI has given Customer thirty (30) days' prior written notice and an opportunity to arrange return at Customer's expense.

10.3 PPSI Property. Tooling, fixtures, processes, methods, software, and know-how developed at PPSI's expense remain the exclusive property of PPSI, notwithstanding any use in connection with Customer's order.

10.4 Intellectual Property. Customer's design data, Gerbers, bills of material, firmware, source code, test procedures, and specifications remain the property of Customer. Nothing in these Terms transfers any ownership in Customer's intellectual property to PPSI, or any ownership in PPSI's intellectual property to Customer.

10.5 Confidentiality. Each party shall protect the non-public technical and business information of the other with at least the same degree of care it uses for its own confidential information, and in no event less than reasonable care, and shall use such information solely to perform or receive performance under the applicable order. This obligation does not apply to information that is or becomes publicly available through no fault of the receiving party, was rightfully known to the receiving party without restriction, is independently developed, or is required to be disclosed by law or valid legal process. This Section survives for three (3) years after the last delivery under the applicable order, and indefinitely as to trade secrets. Where a separate non-disclosure agreement is in effect between the parties, that agreement controls.

11. CHANGES

11.1 Customer Changes. Customer-requested changes to design, bill of materials, quantity, specifications, packaging, or schedule must be submitted in writing and are effective only when accepted in writing by PPSI.

11.2 Effect. Accepted changes may result in equitable adjustment to price, lead time, and material liability, including Customer's responsibility for material and work in process rendered obsolete or unusable by the change, together with associated handling, rescheduling, and administrative costs.

11.3 Documentation Control. PPSI builds to the documentation revision in effect at the time material is procured and production is scheduled. Customer is responsible for timely notice of revision changes.

12. LEAD TIME, DELIVERY, TITLE, AND STORAGE

12.1 Lead Time. Lead time is indicated on the face of the quotation in weeks and is subject to materials availability. Additional lead time will apply if material is not in stock. All lead times and delivery dates are estimates based on conditions existing at the time of quotation and are not guaranteed.

12.2 No Delay Damages. Time is not of the essence. PPSI shall not be liable for any damages, penalties, chargebacks, expedite fees, cover costs, or liquidated damages arising from late delivery, and any such provision contained in Customer's purchase order or supplier terms is expressly rejected. Customer's sole remedy for delay is cancellation of the delayed undelivered quantity, subject to Section 20.

12.3 Partial Shipment. PPSI may make partial shipments and invoice each shipment as made.

12.4 Quantity Tolerance. Due to normal process and material yield variation, PPSI may ship and invoice within the following tolerance of the ordered quantity, and such shipment shall constitute full performance of the order. Customer shall be invoiced for the actual quantity shipped.

Ordered Quantity (per line item)	Shipment Tolerance
1 - 25 pieces	Exact quantity; no tolerance
26 - 100 pieces	Plus or minus 5%, rounded up, minimum 1 piece
101 - 1,000 pieces	Plus or minus 5%
Over 1,000 pieces	Plus or minus 10%

Where Customer requires an exact quantity on an order above 25 pieces, Customer shall so state in writing on its purchase order, and PPSI may quote additional material and labor to cover the required yield allowance. This Section 12.4 applies to assemblies manufactured by PPSI. Bare printed circuit boards procured by PPSI on Customer's behalf are subject to the fabricator's standard over-and-under shipment allowance, customarily plus or minus ten percent (10%), and Customer shall be invoiced for the actual quantity received and used.

12.5 Shipping Point. Prices are quoted F.O.B. PPSI, Houston, Texas (EXW / FCA PPSI Houston for international shipment). Products shall be shipped fully insured via UPS Ground and billed to Customer unless another method of shipment is specified by Customer.

12.6 Title and Risk of Loss. Title and risk of loss pass to Customer upon delivery of the products to the carrier at PPSI's Houston, Texas facility, subject to PPSI's security interest under Section 4.6. Claims for loss of or damage to product in transit are Customer's responsibility and shall be made against the carrier.

12.7 Storage of Finished Goods. If Customer fails to take delivery within ten (10) business days after PPSI's notice that product is ready for shipment, PPSI may invoice the order as of that date, and may store the product at Customer's sole risk and expense at a rate of four percent (4%) of the affected order value per month. Product not claimed within ninety (90) days after such notice may be deemed abandoned and disposed of by PPSI, without relieving Customer of its payment obligations.

13. INSPECTION, ACCEPTANCE, AND RETURNS

13.1 Inspection Period. Customer shall inspect all products promptly upon receipt and shall notify PPSI in writing of any shortage, visible transit damage, or nonconformity within fifteen (15) days of receipt.

13.2 Deemed Acceptance. Products not rejected in writing within the period stated in Section 13.1 are deemed accepted. Customer's use, further processing, integration, or resale of any product constitutes acceptance of that product.

13.3 Returns. No product may be returned to PPSI without a return material authorization ("RMA") number issued by PPSI in advance. Product returned without an RMA may be refused. Customer shall return product in its original or equivalent ESD-safe and moisture-barrier packaging, freight prepaid; PPSI will reimburse reasonable return freight for product determined to be nonconforming under the warranty in Section 14.

13.4 No-Fault-Found. Product returned and determined by PPSI to conform to Customer's documentation and the applicable workmanship standard may be returned to Customer at Customer's expense, together with PPSI's standard evaluation charge.

13.5 Final Acceptance and Use. Customer shall be responsible for the final acceptance and safe usage of delivered products, including any qualification or acceptance testing appropriate to the end application.

14. LIMITED WARRANTY

14.1 Warranty. PPSI warrants that assemblies manufactured by PPSI will be free from defects in workmanship and will conform to Customer's accepted documentation and to IPC-A-610 Class 2, or such other class as is expressly stated on the face of the quotation, for a period of ninety (90) days from the date of shipment.

14.2 Exclusive Remedy. PPSI's sole obligation, and Customer's sole and exclusive remedy, for breach of the warranty in Section 14.1 is, at PPSI's option, the rework, repair, or replacement of the nonconforming assembly, or issuance of a credit or refund of the amounts paid for that assembly, in each case following return under a PPSI-issued RMA. Rework, repair, or replacement does not extend the original warranty period.

14.3 Exclusions. The warranty in Section 14.1 does not extend to, and PPSI makes no warranty whatsoever with respect to:

a. Components, which carry only such warranty, if any, as the original component manufacturer provides, and which PPSI will pass through to Customer to the extent such warranty is assignable;

b. Customer-supplied or consigned parts;

c. Broker, independent distributor, or secondary market parts;

d. Customer-provided bare PCBs, and bare PCB defects allocated to Customer under Section 8;

e. Defects, failures, or nonconformities arising from Customer's design, documentation, specifications, component selection, or test criteria;

f. Damage or failure resulting from misuse, mishandling, improper storage, electrostatic discharge after delivery, modification or repair by any party other than PPSI, electrical overstress, environmental exposure, or operation outside rated conditions;

g. Normal wear, or products that have had serial number or traceability labels removed or defaced;

h. Customer Assemblies and Rework Services, which are governed exclusively by Section 9.5, and any damage arising from rework or repair operations as provided in Section 9.5(b) and 9.5(c); and

i. Any product for which Customer has not paid in full.

14.4 DISCLAIMER OF OTHER WARRANTIES. EXCEPT FOR THE EXPRESS LIMITED WARRANTY SET FORTH IN SECTION 14.1, PPSI MAKES NO WARRANTIES, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, AND PPSI SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ANY WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. PPSI IS A CONTRACT MANUFACTURER AND DOES NOT WARRANT THE ADEQUACY, PERFORMANCE, SAFETY, OR REGULATORY COMPLIANCE OF CUSTOMER'S DESIGN OR OF THE END PRODUCT INTO WHICH THE ASSEMBLIES ARE INCORPORATED.

15. HIGH RISK APPLICATIONS

15.1 Definition. “High Risk Applications” means applications in which the failure of a product could reasonably be expected to result in death or serious personal injury, including life support, life sustaining, and human implant devices; nuclear facilities and nuclear systems; and aviation, spaceflight, and defense systems in which the function performed is flight-critical, safety-critical, or mission-critical.

15.2 PPSI's Role. PPSI is a contract manufacturer and builds to Customer's design and documentation. PPSI does not perform design assurance, system safety analysis, airworthiness or flight qualification, environmental or life testing, or end-item certification, and PPSI holds no design or production approval (such as FAA PMA, TSO, or ODA authority) for any product. Customer is solely responsible for determining that its design, component selection, test criteria, and the workmanship class specified under Section 14.1 are appropriate for the intended application, and for all qualification, certification, and regulatory approval of the end item.

15.3 Disclosure; Aerospace and Defense Orders. Customer shall identify any High Risk Application in writing at the time of its request for quotation and on the face of its purchase order. PPSI accepts orders for aerospace and defense applications in the ordinary course of its business under its AS9100-certified quality management system, and PPSI's written acceptance of an order for which the High Risk Application has been so disclosed constitutes PPSI's consent to that use for purposes of this Section. Customer shall not use products in life support, life sustaining, human implant, or nuclear applications without PPSI's separate prior written consent.

15.4 Allocation of Risk. Use of products in High Risk Applications is at Customer's sole risk. Neither PPSI's consent under Section 15.3, nor PPSI's certification to AS9100, nor PPSI's performance of any Customer-specified inspection or test, constitutes a representation that any product is qualified for the end application, and none of the foregoing expands the limited warranty in Section 14 or alters the limitations in Section 16. Customer shall indemnify PPSI in accordance with Section 17 for all claims arising from use of products in High Risk Applications.

16. LIMITATION OF LIABILITY

16.1 EXCLUSION OF CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL PPSI BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR FOR LOST PROFITS, LOST REVENUE, LOSS OF USE, LOSS OF DATA, COST OF CAPITAL, COST OF SUBSTITUTE GOODS OR SERVICES, PRODUCT RECALL COSTS, FIELD SERVICE OR RETROFIT COSTS, OR DAMAGE TO REPUTATION, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), WARRANTY, OR OTHERWISE, AND WHETHER OR NOT PPSI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

16.2 CAP ON LIABILITY. PPSI'S TOTAL AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO ANY ORDER, WHETHER IN CONTRACT, TORT, WARRANTY, STRICT LIABILITY, INDEMNITY, OR OTHERWISE, SHALL NOT EXCEED THE AMOUNTS ACTUALLY PAID BY CUSTOMER TO PPSI FOR THE SPECIFIC PRODUCT GIVING RISE TO THE CLAIM.

16.3 Allocation of Risk. Customer acknowledges that the pricing quoted by PPSI reflects the allocation of risk set forth in these Terms, that the limitations in this Section 16 are an essential basis of the bargain between the parties, and that such limitations shall apply notwithstanding the failure of essential purpose of any limited remedy.

17. INDEMNIFICATION

17.1 Customer Indemnity. Customer shall defend, indemnify, and hold harmless PPSI, its officers, directors, employees, and agents from and against any and all claims, suits, actions, damages, losses, liabilities, fines, judgments, settlements, and expenses (including reasonable attorneys' fees and costs of defense) arising out of or relating to:

a. Customer's design, specifications, or documentation, including any claim that the product or its manufacture infringes or misappropriates any patent, copyright, trademark, trade secret, mask work, or other intellectual property right of a third party;

b. Customer-supplied, customer-consigned, or customer-directed parts, including broker and secondary market parts, customer-provided bare PCBs, and Customer Assemblies furnished for Rework Services under Section 9.5;

c. Any claim for product liability, personal injury, death, or property damage relating to the end product, except to the extent such claim is caused solely by PPSI's defective workmanship;

d. Use of products in High Risk Applications under Section 15;

e. Customer's breach of any export control, sanctions, customs, environmental, or other applicable law; and

f. Customer's breach of these Terms.

17.2 Procedure. PPSI shall provide Customer with prompt written notice of any claim for which indemnity is sought and shall reasonably cooperate in the defense at Customer's expense. PPSI may participate in the defense with counsel of its own choosing at its own expense. Customer shall not settle any claim in a manner that imposes any obligation or admission on PPSI without PPSI's prior written consent.

18. INSURANCE

Customer shall maintain, at its own expense, commercial general liability insurance including products and completed operations coverage with limits of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate, covering the end product into which PPSI's assemblies are incorporated. Upon PPSI's request, Customer shall furnish a certificate of insurance naming PPSI as an additional insured with respect to such coverage.

19. EXPORT CONTROL AND REGULATORY COMPLIANCE

19.1 Identification. Customer shall identify to PPSI in writing, prior to placement of any order, whether any item, technical data, or software furnished to or produced by PPSI is subject to the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), or any other export control regime, and shall provide the applicable classification (USML category or ECCN).

19.2 Representations. Customer represents and warrants that all technical data and materials furnished to PPSI may lawfully be transferred to PPSI, and that Customer will not take or omit any action that causes PPSI to violate any export control, sanctions, anti-boycott, or embargo law. Customer shall obtain all licenses, agreements, and authorizations required for any onward export, re-export, or transfer of products or technical data.

19.3 RoHS and Substance Compliance. Where RoHS, REACH, conflict minerals, or similar compliance is indicated on the face of the quotation, PPSI will procure components represented as compliant by the applicable supplier and will rely on such supplier representations. PPSI does not independently test for restricted substances and makes no independent warranty of substance compliance.

19.4 Country of Origin. Products are manufactured in the United States. Country of origin marking and customs classification for the end product are Customer's responsibility.

19.5 ITAR Addendum. Where any order involves defense articles, defense services, or technical data subject to the ITAR, the parties shall execute PPSI's ITAR Addendum, which is incorporated into these Terms upon execution and which controls over any conflicting provision of this Section 19.

20. CANCELLATION AND TERMINATION

20.1 Basis. PPSI manufactures products according to Customer specifications. To ensure on-time delivery, PPSI must purchase materials upon receipt of order and schedule jobs for production as soon as materials arrive. Any change or cancellation made after the purchase order is issued causes substantial disruption to PPSI's production planning and material commitments.

20.2 Cancellation Charges. Cancellation of all or any part of an order will result in the following charges, which the parties agree represent a reasonable estimate of PPSI's costs and not a penalty:

- **Prior to production:** (1) all material charges, including non-cancellable and non-returnable material and supplier cancellation or restocking fees; and (2) additional time and labor required to inventory and close out the order.
- **During production:** (1) all material charges; (2) time and labor spent on completed work; and (3) additional time and labor required to inventory and close out the order.
- **Partial completion:** (1) cost of the completed boards; (2) all material charges for uncompleted boards; and (3) additional time and labor required to inventory and close out the order.
- **Fully completed:** Customer may not cancel the order once the boards have been manufactured and completed, and shall be responsible for payment of the full purchase order amount.

20.3 Excess Material on Cancellation. In addition to the charges above, Customer shall purchase all excess, obsolete, and non-cancellable material attributable to the cancelled order in accordance with Section 6.4.

20.4 Termination for Cause. PPSI may suspend performance or terminate any order, in whole or in part, without liability, upon written notice if Customer (a) fails to pay any amount when due and does not cure within ten (10) days of notice, (b) breaches any material provision of these Terms, or (c) becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of any bankruptcy or receivership proceeding. Upon such termination, all amounts owed become immediately due, and the cancellation charges in Section 20.2 apply.

21. FORCE MAJEURE

PPSI shall not be liable for any delay in or failure of performance due to causes beyond its reasonable control, including acts of God, war, terrorism, civil unrest, fire, flood, freeze, severe weather, earthquake, epidemic or pandemic, labor disruption, government action or order, changes in tariff, sanctions, or export policy, utility or telecommunications failure, transportation delay or shortage, cyber incident, supplier default, or shortage or allocation of materials, components, energy, or manufacturing capacity. Delivery dates shall be extended by the period of the delay. If any such condition continues for more than ninety (90) days, either party may cancel the affected undelivered quantity upon written notice, subject to Customer's obligations under Sections 6.4 and 20.

22. GOVERNING LAW; DISPUTE RESOLUTION; LIMITATIONS PERIOD

22.1 Governing Law. These Terms and any order arising hereunder shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

22.2 Venue. For any proceeding permitted under Section 22.4, any proceeding to compel arbitration, and any proceeding to confirm, vacate, or enforce an arbitration award, the parties consent to the exclusive jurisdiction and venue of the state and federal courts located in Harris County, Texas, and each party waives any objection to such venue on grounds of inconvenient forum.

22.3 Binding Arbitration. Except as provided in Section 22.4, any dispute, claim, or controversy arising out of or relating to these Terms or any order, including any question of their validity, formation, interpretation, breach, or termination, shall be resolved by final and binding arbitration and not by a court. The arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules then in effect, and shall be governed by the Federal Arbitration Act (9 U.S.C. Sections 1-16). The arbitration shall be seated and heard in Houston, Harris County, Texas, conducted in English, and decided by a single arbitrator, except that where the amount in controversy exceeds one million dollars ($1,000,000) either party may elect a panel of three arbitrators. The arbitrator shall apply the substantive law specified in Section 22.1, shall have no authority to award any relief that is excluded by, or that exceeds the limits set forth in, Section 16, and shall have no authority to consolidate the claims of more than one customer or to arbitrate any dispute on a class, collective, or representative basis. The parties shall share the arbitrator's compensation and the administrative fees of the arbitration equally, subject to reallocation by the arbitrator, and the arbitrator may award the prevailing party its reasonable attorneys' fees and costs, including any costs of collection recoverable under Section 4.2. Judgment on the award may be entered in any court of competent jurisdiction. The existence of the arbitration, all filings and evidence submitted in it, and the award shall be kept confidential, except as necessary to enforce the award or as required by law.

22.4 Exceptions to Arbitration. Notwithstanding Section 22.3, either party may seek temporary or preliminary injunctive or other equitable relief in a court identified in Section 22.2 to protect its intellectual property or confidential information or to prevent irreparable harm pending the outcome of arbitration, and PPSI may bring an action in such a court to collect amounts due, to enforce or foreclose its security interest under Section 4.6, or to recover possession of its property. Seeking relief under this Section is not a waiver of either party's right to arbitrate any dispute on the merits.

22.5 JURY WAIVER. IF ANY DISPUTE IS FOR ANY REASON HEARD IN COURT RATHER THAN IN ARBITRATION, EACH PARTY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN THAT ACTION OR PROCEEDING.

22.6 Limitations Period. Any action or arbitration arising out of or relating to these Terms or any order must be commenced within one (1) year after the cause of action has accrued, or it shall be permanently barred.

23. GENERAL

23.1 Assignment. Customer may not assign or transfer any order or any right or obligation hereunder, by operation of law or otherwise, without PPSI's prior written consent. PPSI may assign these Terms and any order in connection with a merger, reorganization, or sale of all or substantially all of its assets.

23.2 Independent Contractor. The parties are independent contractors. Nothing in these Terms creates any partnership, joint venture, agency, or employment relationship.

23.3 Non-Solicitation. During the term of any order and for twelve (12) months thereafter, Customer shall not directly solicit for employment any PPSI employee with whom Customer had contact in connection with an order, excluding general solicitations not targeted at PPSI personnel.

23.4 Severability. If any provision of these Terms is held invalid, illegal, or unenforceable, that provision shall be modified to the minimum extent necessary to render it enforceable, and the remaining provisions shall continue in full force and effect.

23.5 Survival. Sections 4, 6.4, 10, 13, 14, 15, 16, 17, 19, 20, 22, and 23, and any other provision that by its nature should survive, shall survive completion, expiration, cancellation, or termination of any order.

23.6 No Third Party Beneficiaries. These Terms are for the sole benefit of the parties and their permitted successors and assigns, and confer no rights on any third party.

23.7 Notices. All notices shall be in writing and delivered by personal delivery, nationally recognized overnight courier, certified mail, or email with confirmation of receipt, to the addresses stated on the face of the quotation or purchase order, or to such other address as a party designates in writing.

23.8 Compliance with Law. Each party shall comply with all laws and regulations applicable to its performance.

23.9 Headings. Section headings are for convenience only and do not affect interpretation.

23.10 Counterparts and Electronic Signatures. Any writing contemplated by these Terms may be executed in counterparts and delivered electronically, and electronic signatures shall have the same effect as original signatures.